

Attachment A

NOTICE OF PROPOSED TREASURY OFFSET OF FEDERAL INCOME TAX  
REFUND AND OTHER FEDERAL AND/OR STATE PAYMENTS

(THREE PAGES)

**NOTICE OF PROPOSED TREASURY OFFSET OF FEDERAL INCOME TAX REFUND  
AND OTHER FEDERAL AND/OR STATE PAYMENTS**

**Your Student Loan Debt**

The U.S. Department of Education (ED) holds a claim against you for one or more past due, legally enforceable, defaulted student loans for which you are responsible. The Loan Statement accompanying this notice describes the loan(s) in detail. ED will refer your student loan debt to the Department of Treasury (Treasury), unless you pay this debt in full, make satisfactory arrangements to repay it, or make a timely, valid objection to enforcement of the loan(s). ED will request Treasury to deduct the amount of this debt, plus a servicing fee and accrued interest, from any Federal income tax refund and other Federal and/or State payments to which you may be entitled now and in the future. Treasury will collect this debt by offset against Federal and/or State payments that you are now owed and will then continue to offset the debt against Federal and/or State payments that may be owed to you in the future, until this debt is paid in full.

**Important:** This notice explains how to avoid offset against current and future Federal and/or State payments. You will not be provided an additional notice and opportunity to review records or to object to collection of this debt before a Treasury offset against future payments. ED may have already referred for offset some of the debts listed on the Loan Statement, as explained in prior notices.

**How to Repay the Debt in Full**

ED has authorized the Guaranty Agency listed on the Loan Statement to make repayment arrangements for the debt. The Guaranty Agency may also have a claim against you based on the student loan(s) described in the Loan Statement. This notice concerns only the ED claim. You must resolve the Guaranty Agency claim with the Agency.

To pay the ED claim in full, send a check or money order with the top portion of the Loan Statement accompanying this notice to the address listed on the Loan Statement.

**Your Rights**

You have the right to -

- \* Review documents regarding the student loan(s) described in the Loan Statement.
- \* Object to the amount or existence (collection) of this debt.
- \* Have the Guaranty Agency review your objections.
- \* Enter into a repayment agreement satisfactory to the Guaranty Agency in order to avoid collection of the debt through the Treasury Offset Program.
- \* Have a lawyer represent you in exercising these rights.

**How to Exercise Your Rights**

You must exercise these rights in accordance with ED rules:

**To Request Documents**

To receive documents regarding the loan, you must make a written request, within 20 days of the date of the Loan Statement, to the CONTACT LISTED ON THE STATEMENT. Your written request must include your Social Security Number. You must identify the loan(s) for which you want records, and include a reasonable description of the records you want to receive. Documents available may include the promissory note evidencing the loan, the loan application, records of payments made, the document used by the lender to file a claim on the loan guarantee, and correspondence between you and the school or lender regarding the loan. Not all of these documents are available in every case.

**Objections You May Raise to Collection of the Debt.**

You can object to Treasury offset on several grounds. ED and the Guaranty Agency will not use the Treasury Offset Program to collect all, or some part, of a student loan to the extent that -

- \* The loan is not past due at this time because you have already repaid the loan, or you have made the required payments under the repayment agreement you reached with the Guaranty Agency.
- \* The loan is not legally enforceable against you at this time because, for example, you have filed bankruptcy and your case is still pending; the loan was discharged in a past bankruptcy; or the loan was canceled for the death or disability of the borrower.
- \* The school owed you a refund for the period for which the loan was made, but did not pay the refund, or paid only part of the refund.
- \* The school you attended closed during the period for which the loan was made, or you did not have a high school diploma or GED and the school improperly determined that you could benefit from its training.

***To Object in Writing to Collection of the Debt***

To have the Guaranty Agency review your objections to the collection of the student loan(s), you must make a written request for review, within 65 days of the date of the Loan Statement, to the CONTACT LISTED ON THE STATEMENT. You can use the enclosed Request for Review form to state your objections. If you requested and received documents, you will have 15 days after the date the documents were mailed to request a review, even if that would take your request outside the 65 day period. You must include in your request your name, your Social Security Number, the loan(s) about which you raise objections, a statement of the objections you have to collection of the loan(s) through Treasury offset, and copies of any documents you want to be considered to support your objections.

***To Request an In-Person or Telephone Hearing***

If you want to present your objections in person or in a telephone hearing, complete the enclosed Request for Review form. If you do not use the enclosed Request for Review form, you must explain in a written request for review, the facts that you want to present orally that would show that the loan is not enforceable, and why you believe that the Guaranty Agency cannot adequately consider your objections by reviewing its records of the loan and any other records, including any written statement that you now provide.

If the Guaranty Agency decides to grant an in-person or telephone hearing, you will be contacted to schedule the time and place. If the Guaranty Agency decides not to grant an in-person or telephone hearing, it will contact you to advise you that no in-person or telephone hearing will be held and whether it accepts your written objections.

***To Enter Into a Repayment Agreement***

If you want to enter into a repayment agreement, you must write to the CONTACT LISTED ON THE LOAN STATEMENT. To avoid a Treasury offset of Federal and/or State funds to which you may be entitled, you must agree to pay the loan under terms accepted by the Guaranty Agency, and must actually make the first payment under the agreement within 65 days of the date of the Loan Statement. If you made a request for documents within 20 days of the date of the Loan Statement, you have 15 days from the date the documents were mailed to you to work out an installment agreement and make the first payment. If you objected to the debt within the deadlines explained in this Notice, and your objection is denied, you will have 7 days from the date the decision is mailed to you to work out the agreement and make the first payment.

***Your Rights if Your Objections are Denied and Treasury Offsets Your Federal and/or State Payment***

If you present objections to collection, the Guaranty Agency will send you a written decision explaining whether ED will use the Treasury Offset Program to collect the loan in whole or in part, the reasons why, and the amount to be collected. If you disagree with this decision, you may write the Guaranty Agency and request a review of the decision by an official of the U.S. Department of Education (ED). You have 30 days from the date of the decision to make such a request. If you disagree with ED's decision, and your Federal and/or State payment is offset, you may have this decision reviewed by bringing a lawsuit in Federal district court. If the Guaranty Agency does not respond to your request for review and your Federal and/or State payment is offset, you may report this directly to the Director of the Guaranty Agency. The Director is responsible to ensure that the Guaranty Agency responds to your request for review.

***If You Miss a Deadline for Exercising Your Rights***

You may obtain documents, a review, or a hearing, or enter into a repayment agreement, even if you miss the deadlines in this Notice. However, if ED has already requested Treasury to offset your Federal and/or State payment, ED will not withdraw the request until you prove that the debt is not legally enforceable or not past-due. Therefore, your refund or other Federal and/or State payments may be offset if, after the deadlines here, you request a review and prove that the debt was not enforceable by offset, or you reach an agreement to repay and make payments required under that agreement.

If you later prove that the debt was not enforceable by offset, the amount collected that exceeded the proper amount will be returned to you. If you later enter into a repayment agreement and make the payments required under that agreement, the Guaranty Agency will take steps to suspend further offset action.

***Taxpayers Who File Joint Tax Returns***

If you file a joint Federal income tax return, you should obtain IRS Form 8379, Injured Spouse Claim and Allocation, before filing your return. The instructions will explain the steps your spouse may take to obtain his or her share of your joint income tax refund. Borrowers filing joint state tax returns should check with their State Department of Taxation to determine if similar relief is available for state refunds.

**Federal Employees:** In addition to offset against other Federal and/or State payments, this debt may be collected by offset of up to 15% of your current disposable pay. ED must give specific notice and appeal opportunity, other than this Treasury Offset Notice, to a Federal employee before requesting another Federal agency to offset pay to satisfy a debt. ED has already given this notice to those individuals whom ED has identified as Federal employees among the debtors that ED proposes to refer to Treasury for offset. If you are a Federal employee and you believe that ED has not already provided you a separate, specific notice of its intention to collect this debt by salary offset, **identify yourself as a Federal employee in your Request For Review**, and ED will provide the required notice and appeal procedure for Federal Employees before ED refers your debt for offset. In the future, ED will provide this notice and appeal opportunity promptly, and arrange for suspension of salary offset, to any individual who shows that an offset of that individual's Federal salary commenced before ED provided this notice and appeal opportunity.